

ORIGINAL

**Strategic Energy Assessment for the Years
January 1, 2016 through December 31, 2022**

5-ES-108

Transcript of Proceedings

Public Session

May 11, 2016



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1 BEFORE THE

2 PUBLIC SERVICE COMMISSION OF WISCONSIN

3 - - - - -
4 STRATEGIC ENERGY ASSESSMENT FOR)
5 THE YEARS JANUARY 1, 2016, THROUGH) Docket No.
6 DECEMBER 31, 2022) 5-ES-108
7 - - - - -

8 EXAMINER MICHAEL E. NEWMARK, PRESIDING

9 TRANSCRIPT OF PROCEEDINGS

10 MAY 11, 2016

11 PUBLIC SESSION

12 Reported By:
13 JENNIFER M. STEIDTMANN, RPR, CRR
14 Gramann Reporting, Ltd.
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16 HEARING HELD:	TRANSCRIPT PAGES:
17 May 11, 2016	1 - 12, Incl.
18 Madison, Wisconsin	EXHIBITS:
19 1:00 p.m.	NONE

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A P P E A R A N C E S

OF THE COMMISSION STAFF

MICHAEL VARDA, Office of General Counsel

(FOR INDEX SEE BACK OF TRANSCRIPT.)

1 (Transcript of proceedings, 1:00 p.m.)

2 EXAMINER NEWMARK: Welcome, everybody.

3 This is the Commission's -- this is the Commission's
4 public hearing on its strategic energy assessment,
5 one that's due this year for the periods 2016 to
6 2022.

7 My name's Michael Newmark, administrative
8 law judge for PSC. And as we noticed, this hearing
9 is for public comments. And we will start with a
10 brief statement about the SEA from staff, and then
11 we can take comments as they come.

12 I believe I've checked our website, and
13 there are no comments yet filed in the case, but
14 comments will be received until July 7th; is that
15 right? Did I get it right?

16 MR. VARDA: July 8th.

17 EXAMINER NEWMARK: July 8th. Just
18 testing.

19 So with that, let me get started. And I
20 want to make sure I already mentioned, if you do
21 want to speak, fill out a public appearance slip and
22 bring it up to me so I'll know to call your name.

23 So let's start with staff description of
24 the SEA.

25 MR. VARDA: For the record, my name is

1 Mike Varda, counsel assigned to the case, and I have
2 a relatively brief overview to give on behalf of the
3 staff in this case. This hearing is for the public
4 to express its views. The balance of my comments
5 are subject to and controlled by the text of the
6 draft report and do not change or amend anything in
7 the draft.

8 The strategic energy assessment is a
9 forward-looking evaluation of the electric industry
10 in Wisconsin for the period 2016 through 2022. It
11 is not prescriptive, but informational in nature,
12 letting the gathered facts for this report, and
13 their contrast with prior reports, tell what has
14 happened and identify potential trends. The
15 report's primary topics are the adequacy and
16 reliability of Wisconsin's electric supply,
17 transmission planning and projects, rates, and
18 energy efficiency and renewable resources. In the
19 last category, for the first time, an inventory of
20 distributed energy resources was conducted and
21 included in this report.

22 To summarize briefly at a very high level,
23 I note the following:

24 Litigation surrounding the EPA's Clean
25 Power Plan, or CPP, is an unresolved backdrop to any

1 evaluation of the electric industry in Wisconsin.

2 This SEA does not and cannot attempt to resolve the
3 impacts of the CPP. Also, the Midcontinent
4 Independent System Operator's, or MISO's, review of
5 the aggregate demand in the footprint will have
6 consequences for resource planning in Wisconsin.

7 Next, reserve margins appear to be
8 adequate through 2022, as electric demand growth
9 flattens. Wisconsin's mix of fuel resources, though
10 still dominated by coal-fired generation, is
11 evolving due to low natural gas prices, closure of
12 the Kewaunee nuclear facility, and the prospect of
13 the retirement of, and replacement for, existing
14 generation.

15 With respect to transmission, FERC's Order
16 1000 introduces competitive transmission project
17 bidding under the auspices of MISO that will impact
18 the planning and cost sharing of transmission
19 projects, which in turn will affect Wisconsin.

20 Rates have increased in Wisconsin and the
21 Midwest due to a combination of factors, such as
22 necessary investments in replacement facilities, new
23 emission control regulations, and the development of
24 renewable energy resources. However, some of these
25 costs have been offset by lower fuel and purchased

1 power costs.

2 Energy efficiency continues to be
3 well-promoted in a cost-effective manner, primarily
4 through Focus on Energy. The use of renewable
5 resources will likely continue to exceed the
6 10 percent RPS standard imposed by Wisconsin Statute
7 Section 196.378.

8 Overall, despite the presence of
9 unresolved legal issues, electricity providers in
10 this state are generally well-positioned to ensure
11 adequate supplies of power.

12 That was staff's comment.

13 EXAMINER NEWMARK: All right. So we can
14 take our first comment. Chris Hoffman. Just come
15 up here to the witness stand. I'll swear you in,
16 and then you can give us your comment.

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1 CHRIS HOFFMAN, PUBLIC WITNESS, DULY SWORN

2 EXAMINER NEWMARK: Have a seat. Just
3 state your name and go ahead.

4 DIRECT TESTIMONIAL STATEMENT

5 MR. HOFFMAN: Good afternoon. My name is
6 Chris Hoffman. I'm a graduate student at the
7 University of Wisconsin-Madison Nelson Institute
8 completing my first year of my program,
9 environmental resources as well as energy analysis
10 and policy.

11 I'm here because I would like to present
12 an alternative public policy tool for utilization by
13 the PCS (sic) called the Health Impact Assessment.
14 I'll refer to it as the HIA throughout my testimony,
15 and I'll provide a definition for an HIA and support
16 for its addition into the strategic energy
17 assessment. It is my hope by the end of my
18 testimony you'll briefly see the benefits to
19 including an HIA in future SEAs.

20 So a Health Impact Assessment is defined
21 as a multidisciplinary approach to investigating
22 social, environmental, financial, and political
23 factors impacting the health of a specific
24 community. This is an innovative, novel tool meant
25 to provide policymakers such as yourself with

1 additional information regarding policy changes.

2 While similar to the environmental assessment, an
3 HIA is distinctly different in identifying
4 quantifiable health costs and benefits of a policy
5 or sets of policies.

6 Throughout my studies, I've come to the
7 conclusion that the electric energy infrastructure
8 of Wisconsin can be directly connected to the
9 overall health of the state and its citizenry. An
10 HIA will expand and emphasize the connected nodes of
11 energy and health. For example, one direct
12 connection between energy and health is the PCS's
13 (sic) directive to ensure grid reliability and the
14 impact of grid reliability on health facilities.

15 So facilities as I'm sure -- health
16 facilities as you might be aware of are growing
17 increasingly reliable on electric devices in order
18 to provide services to patients, and an HIA could
19 reveal if additional costs incurred by these
20 facilities related to electrical service can
21 directly impact the price of healthcare, among other
22 things.

23 So an HIA could reveal the cost of
24 electric generation on nearby communities via the
25 introduction of particulate matter to known to cause

1 pulmonary diseases. For example, the Sheboygan
2 area, as you may know, has lower levels of air
3 quality attainment, not only due to physical
4 geography, but directly as a result of generation
5 source emissions. An HIA would highlight the
6 various costs and benefits of each electric
7 generation option, which could provide a more
8 complete picture for directing state policy.

9 In conclusion, Health Impact Assessment is
10 a growing policy tool that should be implemented in
11 future SEAs, and it will further the Commission's
12 vision to focus on the big picture of policymaking
13 for the state's electric utilities. Wisconsinites
14 along with the PCS (sic) benefit from a holistic
15 image of our image infrastructure.

16 Thank you.

17 EXAMINER NEWMARK: Great. Thanks very
18 much.

19 (Witness excused.)

20 EXAMINER NEWMARK: All right. Anyone else
21 wish to speak?

22 (No response.)

23 EXAMINER NEWMARK: All right. Thanks for
24 the comment. That is our first comment on the SEA,
25 draft SEA.

1 And let me just mention, this is the
2 draft, and the final will go out based on comments
3 received on the draft, and there's a statutory time
4 frame for that. It's 90 days, but I'll let you do
5 the math as to when that has to come out.

6 So I guess let me just ask one more time,
7 any comments for today?

8 (No response.)

9 EXAMINER NEWMARK: No. All right. So
10 we're adjourned. Thanks very much.

11 (The hearing adjourned at 1:08 p.m.)

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1 STATE OF WISCONSIN)

2 MILWAUKEE COUNTY)

3
4 I, JENNIFER M. STEIDTMANN, RPR, CRR, Registered
5 Professional Reporter, Certified Realtime Reporter, with
6 the firm of Gramann Reporting Ltd., 740 North Plankinton
7 Avenue, Suite 400, Milwaukee, Wisconsin, do hereby certify
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11 time and place.

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14 Jennifer M. Steidtmann

15 Registered Professional Reporter

16 Certified Realtime Reporter

17
18 Dated this 12th day of May, 2016.

19 Milwaukee, Wisconsin.
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CHRIS HOFFMAN, PUBLIC WITNESS

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